

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7283**

**BILL NUMBER: HB 1177**

**NOTE PREPARED:** Jan 8, 2004

**BILL AMENDED:**

**SUBJECT:** Small Business Health Insurance Tax Credit.

**FIRST AUTHOR:** Rep. Koch

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** \_\_\_\_\_**GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** This bill provides a state tax credit to Indiana small employers for qualified employee health insurance expenditures. For taxable years beginning before January 1, 2010, the bill allows an employer to claim the credit if the employer pays at least 50% of the cost of coverage for individual coverage or family coverage. For taxable years beginning after December 31, 2009, it allows an employer to claim the credit if the employer pays at least: (1) 70% of the cost of individual coverage and 60% of the cost of family coverage, if the employer provided health insurance during at least five previous years; or (2) 50% of the cost of coverage for individual or family coverage, if the employer did not provide health insurance during at least five previous years. Under the bill the credit amount equals the total amount of the qualified expenditures multiplied by a percentage that is based on the number of qualified employees provided insurance. This bill also requires the department of state revenue and the Indiana small business development corporation to develop informational materials to inform Indiana small businesses of the availability of the credit.

**Effective Date:** January 1, 2005.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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